

I. INTRODUCTION

This Replacement Housing Plan (the “Replacement Housing Plan”) for the proposed North Village Center Project (“Project”) has been prepared pursuant to Section 33413.5 of the California Health and Safety Code for the Redevelopment Agency of the City of Long Beach (the “Agency”). Section 33413.5 requires that, not less than 30 days prior to the execution of an agreement for acquisition of real property, or the execution of an agreement for the disposition and development of property, or the execution of an owner participation agreement, which agreement would lead to the destruction or removal of dwelling units from the low- and moderate-income housing market, the Agency shall adopt by resolution a replacement housing plan.

In addition, Section 33413.5 mandates that the Replacement Housing Plan shall include the following components:

- The number of dwelling units housing persons and families of low- or moderate-income to be removed and replaced by construction or rehabilitation;
- The general location of housing to be rehabilitated, developed or constructed pursuant to Section 33413;
- An adequate means of financing such rehabilitation, development, or construction;
- The timetable for meeting the Replacement Housing Plan’s relocation, rehabilitation, and replacement housing objectives; and
- A finding that the replacement housing does not require the approval of the voters pursuant to Article XXXIV of the California Constitution, or that such approval has been obtained;

II. DEFINITIONS

Very-Low-Income Household

Persons and families whose gross incomes do not exceed 50 percent of the area median income adjusted for family size.

Low-Income Household

Persons and families whose gross incomes exceed 50 percent but do not exceed 80 percent of the area median income adjusted for family size.

Moderate-Income Household

Persons and families whose gross incomes exceed 80 percent but do not exceed 120 percent of the area median income adjusted for family size.

Affordable Owner-Occupied Housing Cost

Section 50052.5 of the California Health and Safety Code states that for any owner-occupied housing, "affordable housing costs" shall not exceed the following:

- (1) For very-low-income households the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.
- (2) For lower-income households whose gross incomes exceed the maximum income for very-low-income households and do not exceed 70 percent of the area median income adjusted for family size, the product of 30 percent times 70 percent of the area median income adjusted for family size. In addition, for any lower-income household that has a gross income that equals or exceeds 70 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 30 percent of the gross income of the household.
- (3) For moderate-income households whose gross incomes exceed the maximum income for lower-income households and do not exceed the 110 percent of the area median income adjusted for family size, the product of 35 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for any moderate-income household that has a gross income that equals or exceeds 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 35 percent of the gross income of the household.

Affordable Renter-Occupied Housing Cost

Section 50053 of the California Health and Safety code states that for any rental housing development, “affordable rent,” including a reasonable utility allowance, shall not exceed:

- (1) For very-low-income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.
- (2) For lower-income households whose gross incomes exceed the maximum income for very-low-income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower-income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.
- (3) For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate-income households whose gross incomes exceed 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

Replacement Dwelling Unit

For this Replacement Housing Plan, “Replacement Dwelling Unit” means a dwelling unit developed or constructed in the City of Long Beach pursuant to Section 33413 in replacement of a dwelling unit destroyed or removed from the low- and moderate-income housing market by the Agency and which is decent, safe, and sanitary, contains at least the same number of bedrooms and other living areas as the dwelling unit destroyed or removed, and is available at affordable housing cost to low- and moderate-income households.

III. REPLACEMENT HOUSING REQUIREMENTS

Section 33413(a) of the California Health and Safety Code requires that whenever low- or moderate-income household dwelling units are destroyed or removed from the housing market as part of a redevelopment

project which is subject to a written agreement with a redevelopment agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low- or moderate-income, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency.

When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units.

Section 33413(f) of the California Health and Safety Code modifies these requirements as follows:

Notwithstanding subdivision (a), the agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units if the replacement dwelling units meet both of the following criteria:

- (1) The total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units. Destroyed or removed units having one or no bedroom are deemed for this purpose to have one bedroom.
- (2) The replacement units are affordable to the same income level of households as the destroyed or removed units.

IV. PROJECT DESCRIPTION

In the North Long Beach Redevelopment Project Area, the four square block area bounded by 56th Street on the south, 59th Street on the north, Lime Avenue on the east, and Linden Avenue on the west has been identified in the North Long Beach Strategic Guide (Strategic Guide) for Redevelopment for potential development related to the creation of a strong North Village Center.

In conjunction with the Strategic Guide the North Village Center Implementation Plan was established with specific direction towards the revitalization of this four square block area. The initial stage of redevelopment for this area has required both commercial and residential

property acquisitions, thus, resulting in the potential removal of housing units.

The Project's primary activities will include the following:

A. Acquisition, Relocation and Demolition

The Agency will acquire all of the properties on the northwest and northeast blocks of South Street and Atlantic Avenue, and select properties on the southwest and southeast corners of the same intersection within the Project, and may eventually demolish the structures to prepare sites for new development. All acquisitions were voluntary; avoiding eminent domain, and tenants will be relocated in accordance with state relocation law.

B. New Construction and/or Substantial Rehabilitation

The existing residential structures will not be rehabilitated and no new residential construction is anticipated at this time. Demolition of the existing residential properties in the northwest and northeast blocks of the Project will serve to facilitate site assembly for future development of a neighborhood serving commercial center, complimented with possible community facilities. Demolition of the residential properties in the southwest and southeast blocks of the Project may be necessary to address off-street parking challenges in the retail-oriented Project.

The assemblage of property and all new construction will be in accordance with the City of Long Beach General Plan, the North Long Beach Redevelopment Plan, the North Long Beach Design Guidelines, and current City zoning requirements.

V. RESIDENTIAL UNITS TO BE REMOVED AND REPLACED

The Project contains 37 buildings, which includes 21 single-family residences and 16 multi-family residences, with a total of 75 occupied residential units. The following table illustrates the units by the number of bedrooms contained therein. Since the income level of the current households is unknown, they are assumed to be very-low income for the purposes of this Replacement Housing Plan.

	Studios/ One BR	Two BR	Three BR	Four BR	Five BR	Total
Very-Low Income	36	31	6	2	0	75
Low Income	0	0	0	0	0	0
Moderate Income	0	0	0	0	0	0
Total	36	31	6	2	0	75

In summary, a combined bedroom count of 75 bedrooms in 37 total buildings will be removed from the Project, which are all assumed to be occupied by very-low-income households. The 75 bedrooms will be replaced in no more than four years. These units will be made available to very-low, low- and moderate-income households as required by Section 33413, based upon the actual income levels of the households eventually displaced from those units.

VI. GENERAL LOCATION OF HOUSING TO BE REHABILITATED, DEVELOPED OR CONSTRUCTED

Pursuant to California Health and Safety Code Section 33413, the Agency will, within four years, rehabilitate, develop or construct, or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of very-low-, low- or moderate-income an equal number of dwelling units which have an equal number of bedrooms as those removed dwelling units, or a fewer number of replacement dwelling units if the replacement dwelling units collectively contain an equal or greater number of bedrooms than the combined bedrooms destroyed or removed and are available at affordable housing cost to households of the same income category as the displaced households.

It is not anticipated that the replacement dwelling units will be within the Project site, as allowed by Section 33413.

VII. FINANCING OF REPLACEMENT HOUSING

The Agency transfers all of the 20% set-aside funds from each redevelopment project area into the City's Housing Development Fund. This money is used by the LBHDC to assist in the production of affordable

housing as required by Law. Current LBHDC programs funded by set-aside tax increment revenues include the following:

- First-Time Home Buyer Down Payment Assistance Program;
- Interest Rate Reduction Program
- Moderate-Income Rehabilitation Loan Program;
- Developer Assistance Program

Should the LBHDC build or otherwise assist in the creation of affordable housing in the territorial jurisdiction of the Agency, it will do so in accordance with California Health and Safety Code Section 33413(b). In addition, the creation or rehabilitation of replacement dwelling units can be financed through a variety of means other than set-aside tax increment revenues, including:

- State of California Cal Home Program funds;
- State of California HELP Program funds;
- State of California CHFA Tax-Exempt Mortgage Revenue Bond Program funds;
- Federal HOME Program Funds;
- Mortgage Credit Certificate Program; and
- Conventional bank loans

VIII. TIMETABLE FOR DEVELOPMENT OF REPLACEMENT HOUSING

Within four years of the destruction or removal of any low- or moderate-income housing, the Agency will rehabilitate, develop or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to low- or moderate-income families replacement dwellings for those units lost as a result of the Project's implementation.

At this time most of the replacement housing units are anticipated to be within the complex known as Pacific Apartments at 1601 Pacific Avenue. Its 31 residences will have 94 bedrooms available to very-low income households, including one four-bedroom unit and 30 three-bedroom units. If additional very-low-income housing units are required, other possible replacement complexes include Jamboree Housing on 3rd Street between Golden Avenue and Maine Avenue and the Menorah Housing complex on Willow Avenue. Low-income and moderate-income housing units can be replaced within Olive Court, being developed at 1856 Long Beach Boulevard. In no event will replacement housing be available later than four years from the adoption of this Replacement Housing Plan.

IX. COMPLIANCE WITH ARTICLE XXXIV OF THE CALIFORNIA CONSTITUTION

Article XXXIV of the California Constitution requires voter approval of all low-rent housing projects that are developed, constructed, or acquired by a public entity. Under Section 37001 of the California Health and Safety Code, the Project is not a “low-rent housing project” as defined in Section 2 of Article XXXIV of the California Constitution because the housing units are being developed to replace dwelling units previously or currently occupied by lower-income households. Therefore, the proposed replacement housing does not require the approval of voters pursuant to Article XXXIV of the California Constitution.

X. PROVISION FOR PUBLIC REVIEW AND COMMENT

In accordance with Section 33413.5, a draft of the Replacement Housing Plan has been made available for review and comment by the general public and other public agencies.